AMENDED IN SENATE AUGUST 6, 2012

AMENDED IN SENATE JUNE 25, 2012

AMENDED IN ASSEMBLY MAY 1, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL No. 2514

Introduced by Assembly Member Bradford

February 24, 2012

An act to amend Section 2827.8 of, and to add and repeal Section 2827.1 of, the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 2514, as amended, Bradford. Net energy metering.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law, relative to private energy producers, requires every electric utility, as defined, to make available to an eligible customer-generator, as defined, a standard contract or tariff for net energy metering on a first-come-first-served basis until the time that the total rated generating capacity of renewable electrical generation facilities, as defined, used by eligible customer-generators exceeds 5% of the electric utility's aggregate customer peak demand. The existing definition of an eligible customer-generator requires that the generating facility use a solar or wind turbine, or a hybrid system of both, and have a generating capacity of not more than one megawatt. Electrical corporations are an electric utility for these purposes.

This bill would require the commission to complete a study by ~~June 30,~~ *October 1*, 2013, to determine *who benefits from, and who bears the economic burden, if any, of, the net energy metering program, and* *to determine* the extent to which each class of ratepayers and each region of the state receiving service under the net energy metering ~~tariff~~ *program* is paying the full cost of the services provided to them by electrical corporations, *and* the extent to which those customers pay their share of the costs of public purpose programs~~, and the benefits of net energy metering~~. The bill would require the commission to report the results of the study to the Legislature within 30 days of its completion.

Existing law establishes separate requirements for wind energy co-metering that provides a credit against the generation component of an electricity bill of an electric utility for those customer-generators utilizing a wind energy project greater than 50 kilowatts, but not exceeding one megawatt. The wind energy co-metering provisions include a requirement that the eligible customer-generator utilize a meter, or multiple meters, capable of separately measuring electricity flow in both directions.

This bill would state that nothing in the wind energy co-metering provisions precludes the use of advanced metering infrastructure devices.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 2827.1 is added to the Public Utilities Code, to read:

2827.1. (a) By ~~June 30,~~ *October 1,* 2013, the commission shall complete a study to determine *who benefits from, and who bears the economic burden, if any, of, the net energy metering program authorized pursuant to Section 2827, and to determine* the extent to which each class of ratepayers and each region of the state receiving service under the net energy metering ~~tariff authorized pursuant to Section 2827~~ *program* is paying the full cost of the services provided to them by electrical corporations, *and* the extent to which those customers pay their share of the costs of public purpose programs~~, and the benefits of net energy metering~~. In evaluating program costs and benefits for purposes of the study, the commission shall consider all electricity generated by renewable electric generating systems, including the electricity used onsite to reduce ~~customers~~ *a customer's* consumption of electricity that otherwise would be supplied through the electrical grid, as well as the electrical output that is being fed back to the electrical grid for which the customer receives credit or net surplus electricity compensation under net energy metering. ~~The commission shall use the peak demand reported by those electric utilities filing a Form No. 1 with the Federal Energy Regulatory Commission to determine aggregate customer peak demand, and shall use the Energy Commission's alternating current ratings to determine the total generating capacity of eligible customer-generators, for purposes of calculating the 5-percent limitation in paragraphs (1) and (4) of subdivision (c) of Section 2827.~~ *The study shall quantify the costs and benefits of net energy metering to participants and nonparticipants and shall further disaggregate the results by utility, customer class, and household income groups within the residential class. The study shall further gather and present data on the income distribution of residential net energy metering participants. In order to assess the costs and benefits at various levels of net energy metering implementation, the study shall be conducted using multiple net energy metering penetration scenarios, including, at a minimum, the capacity needed to reach the solar photovoltaic goals of the California Solar Initiative pursuant to Section 25780 of the Public Resources Code, and the estimated net energy metering capacity under the 5-percent minimum requirement of paragraphs (1) and (4) of subdivision (c) of Section 2827.*

(b) (1) The commission shall report the results of the study to the Legislature within 30 days of its completion.

(2) The report shall be submitted in compliance with Section 9795 of the Government Code.

(3) Pursuant to Section 10231.5 of the Government Code, this section is repealed on July 1, 2017.

SEC. 2. Section 2827.8 of the Public Utilities Code is amended to read:

2827.8. Notwithstanding any other provisions of this article, the following provisions apply to an eligible customer-generator utilizing wind energy co-metering with a capacity of more than 50 kilowatts, but not exceeding one megawatt, unless approved by the electric service provider.

(a) The eligible customer-generator shall be required to utilize a meter, or multiple meters, capable of separately measuring electricity flow in both directions. Nothing in this section precludes the use of advanced metering infrastructure devices. All meters shall provide “time-of-use” measurements of electricity flow, and the customer shall take service on a time-of-use rate schedule. If the existing meter of the eligible customer-generator is not a time-of-use meter or is not capable of measuring total flow of energy in both directions, the eligible customer-generator is responsible for all expenses involved in purchasing and installing a meter that is both time-of-use and able to measure total electricity flow in both directions. This subdivision shall not restrict the ability of an eligible customer-generator to utilize any economic incentives provided by a government agency or the electric service provider to reduce its costs for purchasing and installing a time-of-use meter.

(b) The consumption of electricity from the electric service provider for wind energy co-metering by an eligible customer-generator shall be priced in accordance with the standard rate charged to the eligible customer-generator in accordance with the rate structure to which the customer would be assigned if the customer did not use an eligible wind electrical generating facility. The generation of electricity provided to the electric service provider shall result in a credit to the eligible customer-generator and shall be priced in accordance with the generation component, excluding surcharges to cover the purchase of power by the Department of Water Resources, established under the applicable structure to which the customer would be assigned if the customer did not use an eligible wind electrical generating facility.

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